

Amendment No. 2 to SB0426

Yager
Signature of Sponsor

AMEND Senate Bill No. 426*

House Bill No. 543

by deleting the language “including any gift or loan of any fixtures of any kind” in subdivision (a)(3) in Section 1 and substituting instead the language “including to furnish or loan any fixtures of any kind to a retail licensee”.

AND FURTHER AMEND by deleting subsection (d) in Section 2 and substituting instead the following language:

(d) Notwithstanding the prohibitions and restrictions on a manufacturer’s financial and ownership interests imposed in subsection (a), a manufacturer may have a financial or ownership interest in a licensed wholesaler’s business; provided, however, that the financial or ownership interest in the licensed wholesaler’s business is maintained or held only for a one-time period not to exceed five (5) years, which may not be directly or indirectly extended or renewed, and only under the following circumstances and conditions:

(1) When a licensed wholesaler is voluntarily selling its distribution rights, and the manufacturer whose brand distribution rights are being sold seeks to assist the sale by taking a noncontrolling financial interest in the purchasing wholesaler in the form of a loan made contemporaneous with the sale and secured by the inventory and assets, except for the corporate stock, of the purchasing wholesaler; or

(2) When, only for reasons permitted under § 57-5-505, § 57-5-506, or § 57-5-507, a distribution agreement between a manufacturer and a wholesaler is not renewed or is otherwise terminated, cancelled, or discontinued, in which

Amendment No. 2 to SB0426

Yager
Signature of Sponsor

AMEND Senate Bill No. 426*

House Bill No. 543

event a manufacturer is authorized to appoint a temporary licensed wholesaler to service the manufacturer's brands in the designated sales territory and to take a financial or ownership interest in the temporary licensed wholesaler in connection with the appointment.

AND FURTHER AMEND by deleting the language "is licensed to sell" in subdivision (11) in Section 4 and substituting instead the language "sells".

AND FURTHER AMEND by deleting the language "is licensed to sell" in subdivision (11) in Section 5 and substituting instead the language "sells".